



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-115]

Certain Glass Containers from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain glass containers (glass containers) from the People's Republic of China (China) for the period of investigation (POI) January 1, 2018 through December 31, 2018. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Maliha Khan or Stephen Bailey, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0895 or (202) 482-0193, respectively.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this

investigation on October 21, 2019.¹ On December 4, 2019, pursuant to a request from the American Glass Packaging Coalition (the petitioner),² Commerce published the postponement of the preliminary determination of this investigation to February 24, 2020.³ For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.⁴ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The products covered by this investigation are glass containers from China. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

In accordance with the preamble to Commerce's regulations,⁵ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁶ Certain

¹ *See Certain Glass Containers From the People's Republic of China: Initiation of Countervailing Duty Investigation*, 84 FR 56168 (October 21, 2019) (*Initiation Notice*).

² *See* Petitioner's Letter, "*Certain Glass Containers from the People's Republic of China: Request to Postpone Preliminary Determination*," dated November 19, 2019.

³ *See Certain Glass Containers From the People's Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation*, 84 FR 66377 (December 4, 2019).

⁴ *See* Memorandum, "Decision Memorandum for the Preliminary Determination of the Countervailing Duty Investigation of Certain Glass Containers from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*.⁷ Commerce intends to issue its preliminary decision regarding comments concerning the scope of the antidumping duty (AD) and countervailing duty (CVD) investigations in the preliminary determination of the companion AD investigation.

Methodology

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁸

Commerce notes that, in making these findings, it relied, in part, on the facts available, including on adverse facts available. Further, at the outset of this investigation, several companies failed to respond to Commerce’s quantity and value questionnaire (Q&V) questionnaire.⁹ Therefore, because Commerce finds that certain respondents did not act to the best of their ability to respond to Commerce’s requests for information, it drew an adverse inference where appropriate in selecting from among the facts otherwise available.¹⁰ For a full description of the methodology underlying our preliminary determination, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.

⁵ See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁶ See *Initiation Notice*.

⁷ See Shandong Pharmaceutical Glass Co., Ltd.’s Letter, “Certain Glass Containers from the People’s Republic of China: Shandong Pharmaceutical Glass Co., Ltd. - Comments on Scope,” dated November 12, 2019, IKEA Supply AG’s Letter, “Antidumping and Countervailing Duty Investigations on Certain Glass Containers from the People’s Republic of China - Scope Comments,” dated November 12, 2019, Target General Merchandise, Inc.’s Letter, “Certain Glass Containers from the People’s Republic of China: Scope Comments,” dated November 12, 2019, Zibo Glass Container Exporter Coalition’s Letter, “Certain Glass Containers from the People’s Republic of China: Submission of Scope Comments,” dated November 8, 2019, and Midwest Custom Bottling LLC’s Letter, “Certain Glass Containers from the People’s Republic of China: Scope Comments,” dated November 12, 2019.

⁸ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁹ The companies that failed to properly respond to Commerce’s quantity and value questionnaire were: Asia Trade

All-Others Rate

Sections 703(d)(1)(A)(i) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

Commerce calculated individual estimated countervailable subsidy rates for Guangdong Huaxing Glass Co. Ltd. (Guangdong Huaxing) and Qixia Changyu Glass Co. Ltd. (Qixia Changyu) that are not zero, *de minimis*, or based entirely on section 776 of the Act. Therefore, Commerce calculated the all-others rate using a simple average of the individual estimated subsidy rates calculated for Guangdong Huaxing and Qixia Changyu using each company's values for the merchandise under consideration because publicly ranged sales data was unavailable.¹¹

Connection, Built in China, Cangzhou Roter Faden Glass Products, Choicest International, East Asia Glass Limited, Guangzhou Idealpak Business, Haimen Sanlong Glass Products, Hebei Anyu Glass Products Co. Ltd., Hebei Zhengi Glass Products Co. Ltd., Huazhong Glass Co. Ltd. (Changxing), Iboya Glass, Jiangmen Zhong'an Import and Export, Jining Baolin Glass Product Co. Ltd., Kisco Trading Shanghai, Lianyungang Chinamex Trade, Linlang (Shanghai) Glass Products Co. Ltd., New Westgate Glass Packaging, Ningbo Vifa International Trade Co., Qingdao Auro Pack, Qingdao Jutai International Trade Co., Rockwood & Hines (Jiaxing) Co. Ltd., SGS Bottle, Shandong Hongda Glassware Co. Ltd., Shandong Mounttai Sheng Li Yuan GLA, Shandong Qingguo Foods, Shandong Wensheng Glass Technology Co. Ltd., ShangHai Misa Glass Co. Ltd., Shanghai Vista Packaging, Suzhou Yunbo Glass, Unipack Glass, Value Chain Glass Ltd. (VCG), Wheaton Glass, Wuhan Vanjoin Packaging Co. Ltd., Xiamen Cheer Imp & Exp Co. Ltd., Xuzhou Dahua Glass Products Co. Ltd., Xuzhou Fangbao Glassware, Xuzhou Huajing Glass Products, Xuzhou Livlong Glass Products Co. Ltd., Xuzhou Pretty Glass Products, Xuzhou Wan Xuan Import and Export, Xuzhou Yanjia Glassware, Yantai NBC Glass Packaging Co. Ltd., Yuncheng Jinpeng Glass Co. Ltd., Zheijiang Industrial Minerals Foreign Trade Co Ltd., Zibo CY International Trade Co. Ltd., Zibo Regal Glassware and Zibo Rongdian Glass Co. Ltd. (collectively, the 47 non-responsive companies). We refer to these companies, collectively, as the "non-responsive companies."

¹⁰ See sections 776(a) and (b) of the Act.

¹¹ With two respondents under examination, Commerce normally calculates (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company's publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. See, e.g., *Ball Bearings and Parts Thereof from France*,

Preliminary Determination

Commerce preliminarily determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate
Guangdong Huaxing Glass Co., Ltd. ¹²	23.25
Qixia Changyu Glass Co., Ltd.	22.60
Asia Trade Connection	315.73
Built in China	315.73
Cangzhou Roter Faden Glass Products	315.73
Choicest International	315.73
East Asia Glass Limited	315.73
Guangzhou Idealpak Business	315.73
Haimen Sanlong Glass Products	315.73
Hebei Anyu Glass Products Co. Ltd.	315.73
Hebei Zhengi Glass Products Co. Ltd.	315.73
Huazhong Glass Co. Ltd. (Changxing)	315.73
Iboya Glass	315.73
Jiangmen Zhong'an Import and Export	315.73
Jining Baolin Glass Product Co. Ltd.	315.73
Kisco Trading Shanghai	315.73
Lianyungang Chinamex Trade	315.73
Linlang (Shanghai) Glass Products Co. Ltd.	315.73
New Westgate Glass Packaging	315.73
Ningbo Vifa International Trade Co.	315.73

Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part, 75 FR 53661, 53663 (September 1, 2010). As complete publicly ranged sales data was available, Commerce based the all-others rate on the publicly ranged sales data of the mandatory respondents. For a complete analysis of the data, please see the All-Others' Rate Calculation Memorandum.

¹² Guangdong Huaxing reported the following cross-owned companies which also preliminarily will receive Guangdong Huaxing's subsidy rate: Foshan Huaxing Glass Co. Ltd., Fujian Huaxing Glass Co. Ltd., Daye Huaxing Glass Co. Ltd., Hunan Huaxing Glass Co. Ltd., Guizhou Huaxing Glass Co. Ltd., Zhejiang Huaxing Glass Co. Ltd., Foshan City San Shui Hua Xing Glass Co. Ltd., Fujian Changcheng Huaxing Glass Co. Ltd., Jiangsu Huaxing Glass Co. Ltd., Hebei Huaxing Glass Co. Ltd., Henan Huaxing Glass Co. Ltd., and Xinjiang Huaxing Glass Co. Ltd.

Qingdao Auro Pack	315.73
Qingdao Jutai International Trade Co.	315.73
Rockwood & Hines (Jiaxing) Co. Ltd.	315.73
SGS Bottle	315.73
Shandong Hongda Glassware Co. Ltd.	315.73
Shandong Mounttai Sheng Li Yuan GLA	315.73
Shandong Qingguo Foods	315.73
Shandong Wensheng Glass Technology Co. Ltd.	315.73
ShangHai Misa Glass Co. Ltd.	315.73
Shanghai Vista Packaging	315.73
Suzhou Yunbo Glass	315.73
Unipack Glass	315.73
Value Chain Glass Ltd. (VCG)	315.73
Wheaton Glass	315.73
Wuhan Vanjoin Packaging Co. Ltd.	315.73
Xiamen Cheer Imp & Exp Co. Ltd.	315.73
Xuzhou Dahua Glass Products Co. Ltd.	315.73
Xuzhou Fangbao Glassware	315.73
Xuzhou Huajing Glass Products	315.73
Xuzhou Livlong Glass Products Co. Ltd.	315.73
Xuzhou Pretty Glass Products	315.73
Xuzhou Wan Xuan Import and Export	315.73
Xuzhou Yanjia Glassware	315.73
Yantai NBC Glass Packaging Co. Ltd.	315.73
Yuncheng Jinpeng Glass Co. Ltd.	315.73
Zhejiang Industrial Minerals Foreign Trade Co Ltd.	315.73
Zibo CY International Trade Co. Ltd.	315.73
Zibo Regal Glassware	315.73
Zibo Rongdian Glass Co. Ltd.	315.73
All Others	22.93

Suspension of Liquidation

In accordance with sections 703(d)(1)(B) and (d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the rates indicated above.

Disclosure

Commerce intends to disclose its calculations and analysis performed to interested parties in this preliminary determination within five days of its public announcement, or if there is no public announcement, within five days of the date of this notice in accordance with 19 CFR 351.224(b).

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 14 days after the date of publication of this notice in the *Federal Register*. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.¹³ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce within 21 days after

¹³ See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Final Determination

Section 705(a)(1) of the Act and 19 CFR 351.210(b)(1) provide that Commerce will issue the final determination within 75 days after the date of its preliminary determination. Accordingly, Commerce will make its final determination no later than 75 days after the signature date of this preliminary determination, unless postponed.

International Trade Commission Notification

In accordance with section 703(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination, whether imports of the subject merchandise are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act and 19 CFR 351.205(c).

Dated: February 24, 2020.

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is certain glass containers with a nominal capacity of 0.059 liters (2.0 fluid ounces) up to and including 4.0 liters (135.256 fluid ounces) and an opening or mouth with a nominal outer diameter of 14 millimeters up to and including 120 millimeters. The scope includes glass jars, bottles, flasks and similar containers; with or without their closures; whether clear or colored; and with or without design or functional enhancements (including, but not limited to, handles, embossing, labeling, or etching).

Excluded from the scope of the investigation are: (1) Glass containers made of borosilicate glass, meeting United States Pharmacopeia requirements for Type 1 pharmaceutical containers; (2) glass containers without “mold seams,” “joint marks,” or “parting lines;” and (3) glass containers without a “finish” (*i.e.*, the section of a container at the opening including the lip and ring or collar, threaded or otherwise compatible with a type of closure to seal the container’s contents, including but not limited to a lid, cap, or cork).

Glass containers subject to this investigation are specified within the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7010.90.5005, 7010.90.5009, 7010.90.5015, 7010.90.5019, 7010.90.5025, 7010.90.5029, 7010.90.5035, 7010.90.5039, 7010.90.5045, 7010.90.5049, and 7010.90.5055. The HTSUS subheadings are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
 - II. Background
 - III. Scope Comments
 - IV. Scope of the Investigation
 - V. Injury Test
 - VI. Diversification of China's Economy
 - VII. Use of Facts Otherwise Available and Adverse Inferences
 - VIII. Subsidies Valuation
 - IX. Benchmarks and Interest Rates
 - X. Analysis of Programs
 - XI. Calculation of the All-Others Rate
 - XII. ITC Notification
 - XIII. Disclosure and Public Comment
 - XIV. Recommendation
- [FR Doc. 2020-04223 Filed: 2/28/2020 8:45 am; Publication Date: 3/2/2020]